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C O N F I D E N T I A L PANAMA 000058

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SUBJECT: PANAMA: LEFT WING DON QUIJOTE TILTS AT CLOSED
POLITICAL SYSTEM

Classified By: Ambassador Barbara J. Stephenson for reasons 1.4 (b) and
(d)

Summary

¶1. (C) A "symbolic" effort to open the Panamanian Political system is how Juan Jovane described his independent campaign for president. Jovane told POLOFF on November 25 that while he did not expect to be allowed to run, he wanted to open the system up to independent candidates who could mount popular left-wing campaigns in the future. Jovane described the ability of independents to run for the highest office as critical to the democratic stability of Panama, that might otherwise become vulnerable to violent or anti-democratic movements in the future. He noted his campaign had split the left into democratic and non-democratic blocks. Separately, Professor Olmedo Beluche noted on December 5 that Jovane's campaign could help Balbina Herrera's campaign, by positioning her more to the center of the ideological spectrum. End Summary.

A Symbolic Campaign

¶2. (C) University of Panama Economics Professor Juan Jovane - a former advisor to the Sandinistas, former head of the Panamanian Social Security System, and a left-wing leader - has launched an independent campaign for President. Backed by a diverse array of left-wing groups, Jovane is challenging a 1983 amendment to the Panamanian electoral law that restricts the right to run for president to representatives of "legally recognized political parties." Jovane told POLOFF November 25 that he knew he would not be allowed to run in the May 3 presidential elections. He said his real aim was to force a reform of the electoral law to allow independent candidates to run for president in the future. Jovane asserted that such a key reform would allow the democratic elements of the left to integrate themselves into the political system. He further asserted that the requirements for registering a political party in Panama were so onerous that only the rich could afford to meet them, thus disenfranchising those who would vote for popular left-wing parties. (Note: To register a political party in Panama, a prospective party must get the signatures of 4% of the electoral roles, approximately 60,000 people at present, while meeting strict requirements as to geographic distribution. Additionally, those individuals who register must sign up at Electoral Tribunal (TE) offices as

the registration books may only rarely be taken into the field. Also, registration cannot already be members of other parties, meaning that new registrations must come from the ranks of unregistered independents. End Note) Jovane said he had been approached by members of the Panamanista Party to work with them, but had refused because he was trying to make a point, not a deal. Jovane said he had spoken to TE Judge Gerardo Solis, who said that his petition would be taken up when the political parties and the TE met to consider reforms to the electoral code, which normally happens the year after each election. Jovane said he did not trust this process, because it was the political parties themselves who ran it, and he was trying to undermine their control of the system.

13. (C) Olmedo Beluche, one of Jovane's main supporters and President of the Popular Alternative Party (PAP), a self described "Bolivarian" party that has not yet acquired enough signatures to be legalized, told POLOFF December 5 that the PAP was the most organized group in the "ideologically broad" coalition supporting Jovane. He said the Jovane campaign was challenging Article 233 of the Electoral Law, that dated from 1983 and required that candidates for president represent legally recognized parties. He explained that recent electoral reforms had opened up the possibility of independents to run for mayor and National Assembly deputy, but not for the presidency. Beluche said they were challenging the law everywhere they could: by asking the TE to rule that Jovane's candidacy was legal; by getting the Supreme Court to declare the rule unconstitutional; and by asking the National Assembly to change the law. (Note: On December 16, the TE rejected Jovane's request to register his candidacy in a two-to-one vote. Solis was the dissenting

vote. The Supreme Court challenge was admitted by the Court, but arguments have not been heard yet. There has been no movement in the National Assembly, nor is there likely to be any movement. End Note) He said their best hope was that the Supreme Court would throw the law out. That would require the TE to set the rules for independent candidates, probably involving a certain number of signatures. Beluche was confident that they could get the signatures and would be able to actually launch a campaign. He said that they would concentrate their campaign on the need to liberalize the rules for forming political parties, which might help the PAP, and the rules and assistance for the participation of independents in election.

The Dangers of Political Sclerosis

14. (C) Jovane said the restriction on independents running for president was dangerous, because it prevented new ideas from entering the political arena. Without any new or popular ideas to vote for, people ended up voting "against" candidates as an act of protest. Jovane argued that this phenomena explained the constant alternation in power after every election. He asserted that this situation could eventually give rise to a radical movement that would challenge the closed political system in an anti-democratic or violent manner. Jovane said he saw his candidacy as an opportunity to prevent that outcome by offering a "grand pact;" Jovane would encourage the "people" to support democratic change, in return for which the traditional parties would agree to an electoral law reform that would make it possible for progressive candidates to participate in the elections as independents. Jovane asserted that his campaign had divided the Panamanian left by calling for participation in the democratic process, with the PAP, the General Center of Panamanian Workers (CGTP) labor union, and various intellectual and activists supporting him.

Balbina - Between a Rock and a Hard Place

15. (C) Asked about the campaign of Revolutionary Democratic Party (PRD) presidential candidate Balbina Herrera, Jovane

said she had real problems due to the fact that the progressives neither trusted her or believed she was really progressive, while the right-wing did not trust her either, fearing she was progressive. He said Balbina had failed to define herself politically, allowing her enemies on either side to discredit her as leftist and as a centrist respectively. Beluche said he had heard rumors that some members of the PRD believed a Jovane candidacy could help Herrera's campaign. With Jovane in the race, Herrera would no longer be the most left wing candidate, helping her position herself more to the center. Beluche said some in the PRD also believed that Jovane might drain protest votes from Martinelli, helping Herrera if the election were close. Beluche asserted, however, that Jovane might also undermine the PRD's de facto hold on the left-wing vote, weakening the party in the future.

Naive?

16. (C) Political analyst Alfredo Castillero, a moderate opposition commentator, told POLOFF November 26 that Jovane was an "interesting person", with whom one could have a very interesting discussion about economics, but added that he was politically "nave" in his left wing politics, and especially about the degree to which his "companeros" had the same reformist agenda as he did. He said all anyone needed to do to make Jovane his friend was to raise his fist in the socialist salute. Castillero said Jovane had been "incompetent" as administrator of the Social Security System, and had appointed leftists though out the administration with more concern for their political credentials than for their competence.

The Anti-Democratic Left

17. (C) The radical organizations grouped in the National Front for the Defense of Economic and Social Rights (FRENADESO), including the radical construction workers union SUNTRACS, are not supporting Jovane's campaign. In numerous opinion pieces in La Estrella, the Panama City daily broadsheet, FRENADESO Coordinator and SUNTRACS Secretary General Genaro Lopez has attacked all the candidates, including Herrera, and has called for abstention in the election and a popular mobilization in favor of a Constituent Assembly. Referring to FRENADESO and SUNTRACS, Jovane called their idea of a popular insurrection in Panama "silly."

18. (C) Castillero asserted that the supposedly distinct organizations that made up FRENADESO, including SUNTRACS, the Federation of Revolutionary Students-29 (FER-29), and the Panamanian Popular Coordinator of Human Rights (COPDEHUPA) were all actually run by the same leadership, and had evolved from the National Liberation Movement-29 (MLN-29), formed from Maoist and Castroist organizations in the 1970s. Castillero said he realized all the organizations had interlocking leaderships when he sought their input on a human rights report. He said the real power in the movement now rests with SUNTRACS, due to its role as a construction worker union in the midst of a construction boom and the fact that it has deep pockets drawing on two percent of every union member's pay check. He said SUNTRACS had ample funds and could engage in effective civil disobedience due to its ability to mobilize workers for street protests and demonstrations. Jovane criticized SUNTRACS for not taking into account that the global crisis would probably result in a slow down in the construction industry, and a reduced capacity for popular mobilization among construction workers. University of Panama Professor Antonio Mendez, also a leader of the PAP, told POLOFF December 5 the same story of the evolution of these groups, calling them dogmatic, doctrinaire, and alienated from reality. He said they were only interested in grand gestures such as general strikes and road closings, but were unable to follow them up to create

any lasting changes. He said many of the democratic left-wing leadership had abandoned FRENADESO over this issue in the past. In a July 23 meeting Beluche had implied that these groups, and not the PAP, were receiving Venezuelan financing.

Comment

¶9. (C) Jovane is a strange figure in Panama's politics. A quiet and thoughtful man in person, he has a political reputation among Panama's elites akin to Lenin. Castillero's analysis of him as a radical naive is far closer to the truth. Nevertheless, his campaign has been given a lot of coverage by the media, who have treated him as a disinterested campaigner on behalf of political reform. The restriction against independent presidential candidates seems to have little overt support anymore, and it seems likely it will be cast aside in the future, either by the Supreme Court or by the National Assembly. This is not likely to take place before the election, however, as a radical change in the rules this late in the electoral process would tend to undermine the credibility of the process.

¶10. (C) Jovane's warning that the Panamanian political system needs to provide a democratic opening to the left is not getting a lot of media attention. Panama's political parties have no real policy differences among themselves, other than how to treat the Omar Torrijos/Antonio Noriega period. Martinelli's campaign based on change is a one trick pony, similar to the change pony President Torrijos rode once in 2004. A credible and moderate left wing alternative is a glaring weakness in the political fabric that could, in the middle term, strengthen the hand of undemocratic elements like FRENADESO/SUNTRACS. The passionate denunciation of these groups by Mendez, from a very left-wing perspective, indicates the danger Jovane, Beluche and Mendez (all of whom are well paid college professors) see if no credible democratic left-wing alternative is allowed to develop in Panama. Castillero made a direct correlation between Venezuela's political system prior to Chavez, and Panama's current party centric system, as an indication of where

things could go.

¶11. (C) Jovane's analysis of what ails Herrera is spot on. Herrera has failed to define herself throughout the campaign on purpose, hoping to be all things to all people. She wanted to lock up the left-wing vote with her radical past, and the independent centrist vote with her steady bureaucratic trajectory since the reinstatement of democracy. Instead, she has been discredited among the left for her steady bureaucratic trajectory, and among the independent centrists due to her radical past. The damage is now too great for a Jovane candidacy to help push her image to the center. His candidacy, and the further radical FRENADESO/SUNTRACS opposition to it, does make the argument that Herrera is "Chavez in a skirt" seem absurd. Beluche's PAP is the only openly Bolivarian party, and FRENADESO/SUNTRACS are the mostly covert collaborators with Chavez. All denounce Herrera as an establishment figure with no credible social credentials.

STEPHENSON